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SOUTH YEMEN-USSR: OUTLOOK FOR THE RELATIONSHIP

NIE 36.9/11-84

Information available as of 30 March 1984 was used in the preparation of this Estimate

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SCOPE NOTE

This Estimate focuses on frictions in South Yemen–Soviet relations, their probable intensity and significance over the next two to three years, and what the implications might be for US interests.

The reader is cautioned that available sources of reliable information on South Yemen are limited. Data on economic subjects is particularly scarce, as well as information dealing with the extent and nature of Soviet assets in South Yemen.

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KEY JUDGMENTS

Aden's dependency on the Soviets for security will almost certainly prevent drastic changes in the relationship from developing over at least the next two to three years. Recent bilateral exchanges have exhibited greater warmth than was the case a year ago, and there are no reliable indications that South Yemen's leaders are considering a significant shift away from Moscow. Still, frictions will continue intermittently to mark the relationship between South Yemen and the Soviet Union as a result of Chairman Ali Nasir Muhammad al-Hasani's quest for expanded economic and development assistance from wealthy neighbors and the West and his resistance to reported Soviet efforts to expand Moscow's access to South Yemeni military facilities.

The USSR's leaders will almost certainly maintain and attempt to expand Soviet access to facilities in South Yemen. Moscow probably finds South Yemen a more stable client than Ethiopia, with its ongoing civil war and weaker central institutions. Increased Soviet access to South Yemeni facilities would probably focus on improving the naval reconnaissance capability—perhaps substituting TU-95 aircraft for IL-38s. However, Aden is unlikely to grant Moscow autonomous use of naval and air facilities or sign a formal access agreement as the Soviets desire.

The extent to which the US expands its military presence in the Persian Gulf/Indian Ocean area will have a significant influence both on the urgency with which the Soviets seek expanded access to South Yemen's military facilities and on Aden's readiness to grant such expanded access.

South Yemen's ties to the Soviets concern the United States for four reasons:

- Aden provides the Soviets a position from which to expand their influence in the Red Sea/Arabian Sea/Horn of Africa area and to enhance their capacity to monitor US and Allied activities in the Middle East.
- The Soviet presence provides a security shield if, however unlikely in the near term, the Aden government resumes efforts to destabilize the governments of Saudi Arabia, North Yemen, Oman, and the smaller Gulf states or renews its support for international terrorist groups.

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— South Yemen's dependence on the Soviets works against US efforts to open a diplomatic dialogue with Aden.

— Soviet policy encourages South Yemen to work together with Ethiopia, Libya, Syria, and other pro-Soviet regimes against US policy interests in the Middle East.

Over the near term, the Soviets are likely to tolerate Hasani's improved ties with the moderate Arab states and the West:

— Hasani is a known quantity and able to manage volatile domestic political factions, ensuring a stable climate for Soviet activity.

— Moscow may believe that a strong reaction to Hasani's policies would jeopardize opportunities for diplomatic exchanges with the Saudis and the Omanis which Moscow has long sought.

— Western and Arab financial aid, which constitutes the bulk of economic assistance to South Yemen over the past decade, tends to reduce Aden's dissatisfaction with Moscow's failure to provide urgently needed economic assistance.

We do not believe that Moscow is likely to attempt to sponsor a coup against Hasani during the time frame of this Estimate. The chances would be greatest if Moscow concludes that Hasani is moving decisively against key Soviet interests in South Yemen. Any such move, however, would be difficult and costly; Hasani has tightened his control over the security and military apparatus and has purged many of the leading party members who support former Yemeni Socialist Party leader Abd al-Fattah Ismail, a pro-Soviet hardliner now resident in Moscow. Some analysts believe that this control is substantial enough to blunt any coup attempt. Others believe that Moscow could mobilize sufficient assets in South Yemen to bring off a successful coup.

Hasani has successfully consolidated his domestic position as chief of party and government by controlling volatile intraparty factionalism, preparing the ground carefully in advance of major political moves, and working to generate a popular base of support.

Hasani's present course indicates that he and his supporters accord economic development a higher priority than the export of revolution—a preoccupation of previous regimes. Current evidence suggests that Aden has curtailed its support for international terrorists. Its ties with Iran are limited to mutual economic interests. We judge that Hasani will continue these policies if moderation succeeds in attracting the desired aid, and if he can keep his rivals under control.

Hasani's ability to attract additional outside economic aid will depend in part on maintaining good relations with Saudi Arabia, Oman,

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and North Yemen as measured by continued restraint from destabilizing activities on the Peninsula. Border disputes with all three may flare up occasionally, but all parties will probably work to keep these localized.

Even while attempting to diversify aid patrons, South Yemen will continue to oppose US political and military influence in the region. Nonetheless, the Hasani regime offers decided advantages for US interests compared with previous South Yemeni regimes:

— It has played down destabilizing activities on the Arabian Peninsula.

— It has reined in the most radical domestic forces and neutralized many pro-Soviet sympathizers.

— It has focused government attention and resources on domestic economic developments that require Western technical and financial assistance.

— It has built a strong domestic power base that gives it leverage against Soviet demands.

The extent of Soviet influence in any successor regime will depend in part on the Soviet role in bringing that regime to power—greater if the successor is politically indebted to Moscow, less if a succession takes place without Soviet meddling. A successor regime is likely to conciliate the Soviets at least initially.

Even if a successor regime were not politically indebted to the USSR for its accession to power, its new leaders would still be faced with a desperately poor country and very grim choices:

— To suppress rising economic needs and expectations.

— To invite substantially expanded aid from conservative Arab sources and the West at the risk of provoking Soviet retaliation.

— To again try for substantially expanded Soviet and East Bloc economic aid, which, if forthcoming, would only be delivered at the cost of much-increased Soviet influence.

Alternative developments severely affecting either US or Soviet interests, while not likely, deserve consideration.

Worst Case for the United States. Should a successor come to power more determined to promote radical change and less concerned about economic priorities, he could refocus South Yemeni goals by:

— Undermining moderate Peninsula regimes.

— Participating in international terrorism.

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— Strengthening ties with Libya, Syria, and Iran.

— Granting increased access to the Soviets.

Worst Case for the Soviets. Some reporting indicates that Hasani may be considering loosening ties with Moscow. Should sufficient additional non-Communist economic and technical assistance become available, and the South Yemeni leadership determine to make a clean break with the Soviets, Moscow could:

— Lose access to all South Yemeni facilities.

— Suffer a serious reversal in the Arab state thought to be the Soviets' most devoted client.

— Lose an important means of exercising political leverage against Saudi Arabia and other moderate Gulf states.

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DISCUSSION

1. Given the past reputation of South Yemen as a Soviet client and a radical state, Ali Nasir Muhammad al-Hasani, the current leader of that impoverished and resource-poor state, has since 1982 demonstrated a considerable amount of independence and moderation. He has replaced key personnel sympathetic to the Soviets with his own loyalists; expanded commercial and diplomatic ties with his Arab neighbors, the West, and the Japanese; and withdrawn support for insurgents threatening neighboring states.

2. Hasani's policies, which reflect his commitment to addressing long-repressed popular desires for economic development, initially created some frictions in ties between Aden and Moscow. The Soviets resisted his requests for more economic aid, bargained hard on loan terms, and treated him coolly during visits to Moscow in late 1982 . More recently, however, relations have improved. The late Soviet Chairman Yuri Andropov met with Hasani during the latter's September 1983 visit to the USSR.

3. Moscow seems determined to hold on to its position on the Peninsula, relying on Aden's military and technical assistance dependency and Soviet sympathizers in South Yemen to protect its interests. Along with those available in Ethiopia, naval and air facilities in South Yemen are important elements in Moscow's efforts to compete with US influence in the Middle East and Africa, to expand its influence and military presence in the area, and to protect its own interests there:

— Politically, Moscow's position in South Yemen allows it to pressure Saudi Arabia, Oman, and the Gulf states.

— Militarily, South Yemen enables the Soviets to reconnoiter US and Allied naval and maritime activity in the region, and provides limited logistic support to the Soviet Indian Ocean Squadron. Aden provides transit rights for Soviet aircraft en route to Ethiopia and other African points. From South Yemen, the Soviets also support their heavy regional merchant and fishing traffic.

— South Yemen has value for Moscow as one of the few Soviet clients in the Third World with a governing "vanguard" party whose institutions are modeled along Soviet lines. More than once the Soviets have pointed to South Yemen as a model for Third World states.

4. South Yemen's ties to the Soviets concern the United States for four reasons:

— Aden provides the Soviets a position from which to expand their influence in the Red Sea/Arabian Sea/Horn of Africa area and to enhance their capacity to monitor US and Allied activities in the Middle East.

— The Soviet presence provides a security shield if, however unlikely in the near term, the Aden government resumes efforts to destabilize the governments of Saudi Arabia, North Yemen, Oman, and the smaller Gulf states or renews its support for international terrorist groups.

— South Yemen's dependence on the Soviets works against US efforts to open a diplomatic dialogue with Aden.

— Soviet policy encourages South Yemen to work together with Ethiopia, Libya, Syria, and other pro-Soviet regimes against US policy interests in the Middle East.

Roots of Soviet–South Yemeni Tension

5. South Yemeni–Soviet frictions reflect a tension between Aden's security dependency and longstanding political and ideological ties with Moscow, on the one hand, and Yemeni national priorities for economic development, on the other. This balancing process is ensnared in the competition for power within the ruling group, some of whose members rely on Soviet support.

6. South Yemeni unhappiness with the Soviets stems particularly from:

— Dissatisfaction with the negligible amounts of Soviet economic aid. Soviet unwillingness or inability to meet much of South Yemen's economic assistance requirements, delays in delivery, and ineffective project administration constitute the most important reasons for the stresses between Moscow and Aden.

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— Doubts as to the Soviets' ability or desire to find oil on exclusive concessions they have worked for over 10 years. An Italian firm's 1983 discovery of a potentially productive well raised the issue, and reportedly provoked a Soviet demand for a monopoly on oil contracts. The South Yemeni ruling party's central committee reportedly opposed the Soviet position on this issue. It ultimately granted some promising concessions to the Soviets.

— Complaints about Soviet stinginess in granting emergency aid. When the devastating floods of spring 1982 destroyed much of South Yemen's agricultural, livestock, and transportation resources in the most productive western region—Food and Agriculture Organization (FAO) surveys estimated the loss at $1 billion—the Soviets offered only minimal aid, while the Saudis sent $30 million, and international organizations made substantial contributions.

— Concerns that unrestricted Soviet fishing in South Yemeni waters has dangerously depleted vital fish resources.

— Concern about Soviet meddling in South Yemeni leadership struggles. Moscow has given refuge to Hasani's hardline Marxist predecessor as party leader and head of state, Abd al-Fattah Ismail. Over the last two years, two reported coup attempts against Hasani may have involved Ismail loyalists still in South Yemen.

— Concern about reported Soviet demands to expand access to South Yemeni facilities, and begin construction on autonomous facilities near Aden. During a visit to Aden by Soviet naval chief Adm. Sergei Gorshkov in the spring of 1983, Hasani reportedly deflected demands for greater access.

Evidence of Moderation

7. When efforts failed to gain new economic aid from the radical Arab camp (Libya in particular) and the Soviets in 1982, Hasani was further convinced to turn to wealthier Arab neighbors. Aden also began looking to Western Europe for more advanced technical and development assistance. Since that time, South Yemen has largely ended its support for antiregime activities in neighboring states to qualify for this critically needed assistance:

— In addition to normalizing diplomatic relations with Saudi Arabia and Oman, diplomatic and bilateral aid relations have been established with France, Canada, and other Western countries. In addition, the two Yemens appear to be engaging in close consultations.

— South Yemen has withdrawn support for military activities of the National Democratic Front (NDF) in North Yemen and the Popular Front for the Liberation of Oman (PFLO). Both organizations are based in Aden and continue some political activities.

— Aden has curtailed its support for international terrorism.

— Domestically, Hasani has reduced the repressiveness of the regime, promoted greater—though still limited—Islamic expression, and allowed some private investment activity.

8. These initiatives have had a price tag: Libya has agitated openly against them, and domestic supporters of the NDF and PFLO have had to be dealt with.

Soviet–South Yemeni Relationship

Soviet Assistance and Influence in South Yemen

9. The Soviets use their military and other assistance programs to bolster their influence in Aden and enlarge their political following. The large number of Soviet training programs has facilitated the expansion of Soviet sympathizers in the ranks of bureaucracy, party, and military. Soviets and East Europeans serve as instructors in schools run by the ruling Yemeni Socialist Party (YSP). South Yemen's political leadership, comprising members of the YSP Central Committee and the Presidium, together with leading military figures and Ministers, includes a number of identifiable Soviet supporters. [redacted] 25X1

10. From the South Yemeni perspective, many aspects of the client relationship with the Soviet Union are troublesome: the Soviets are unpopular, they are seen as not providing enough economic assistance, their offers carry stringent terms, they are attempting to Sovietize South Yemeni education and otherwise interfere in domestic affairs. Nonetheless, there are no reliable indications that the possibility of a major shift away from the Soviets is under consideration within the political and military leadership. Most South Yemeni leaders recognize the value of Soviet security and technical assistance to the nation and the serious

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The Origins of the Soviet–South Yemeni Relationship

Although the Soviet Union encouraged the South Yemenis in their successful fight against British rule in the mid-1960s, Moscow did not offer significant support to the fledgling state until 1970, when the immediate prospects for expanding its influence in North Yemen dimmed. By 1972 Soviet and, to a lesser extent, Chinese assistance helped South Yemeni leaders to unify for the first time what had been a collection of tribal shaykhdoms, to quell internal opposition, and to begin building modern political and economic institutions. A strong state security apparatus was constructed with East German and Soviet help.

The Soviet loss of access to military facilities in Somalia in 1977, which heightened the value of less-used facilities in South Yemen, together with the rise to power of Abd al-Fattah Ismail—a doctrinaire Marxist—created a watershed in Yemeni-Soviet relations. During Ismail's leadership tenure from 1978-79, South Yemen moved much closer to the Soviet Union in the following ways:

- — Ismail consolidated the leading political parties into one centralized "vanguard" organization, the Yemeni Socialist Party (YSP), modeled after and with close ties to the Communist Party of the USSR.
- — The Soviets gained expanded access to some of South Yemen's military facilities in exchange for major arms sales.
- — South Yemen signed a Treaty of Friendship and Cooperation with the USSR.

A coalition of nationalists from the YSP and the military deposed Ismail in mid-1980: in his preoccupation with North Yemen, he had allowed the economic situation at home to deteriorate dangerously; he had allowed the Soviets too much visibility and influence in an Islamic country only recently emerged from colonial status; and he had allowed South Yemen to become a pariah within the Arab world, costing millions of dollars in potential Gulf financial assistance. He was replaced by Ali Nasir Muhammad al-Hasani, former Defense Minister, Prime Minister under the two previous regimes, who was identified with the southern, nationalist faction within the YSP. The Soviets acquiesced in Ismail's removal, and allowed him to take refuge in the Soviet Union.

consequences should it be withdrawn. Any leader whose actions were perceived as seriously jeopardizing that assistance would face strong internal opposition on those grounds.

11. In any case, Moscow probably would learn of any such plan in advance and would attempt to head it off by *inter alia* threatening to withhold military support and technical assistance, or, in the most extreme case, by supporting one of Hasani's rivals in a coup effort.

Benefits to the Soviets

12. The USSR's access to South Yemen provides Moscow with both military and political benefits in a region of critical importance to the United States and the West. Soviet access to facilities in South Yemen and Ethiopia supports the USSR's efforts to monitor and potentially threaten Western sea lines of communications through the Red Sea's Bab el-Mandeb Strait and the Arabian Sea.

13. ***Military Advantages.*** Soviet interests in securing their own lines of shipping and fishing complement the broader strategic objective of extending influence into the Middle East. The conviction of Soviet leaders that the United States intends to expand and make permanent its Indian Ocean military presence has increased their appreciation of the military importance of the Yemens, for they see Soviet access to air and naval facilities in South Yemen and Ethiopia as a partial political counter to US use of facilities in the Persian Gulf and Indian Ocean. Although we know of no formal basing agreement, the USSR's access to Yemeni facilities has aided their effort to conduct reconnaissance and intelligence gathering activities in the region, and has provided helpful logistic support for their Indian Ocean Squadron. In the future, IL-38 reconnaissance aircraft currently stationed in South Yemen may be replaced by the longer range TU-95.

14. ***Political Advantages.*** The South Yemeni regime also supports Soviet foreign policy goals, such as rejection of US-identified proposals to resolve the Arab-Israeli dispute, opposition to the US CENTCOM, and continuation of the Soviet presence in Afghanistan.

15. In 1981 Aden signed a mutual defense pact with Libya and Ethiopia—the Tripartite or Aden Pact—engineered by Libyan leader Qadhafi to counter US-sponsored agreements with Kenya, Oman, and Somalia. Libyan failure to follow through on promised aid to Aden and Ethiopia, and Libyan-Ethiopian rivalry over leadership of the Organization for African Unity have rendered the pact moribund, although Ethiopian–South Yemeni ties remain close.

16. The Soviets welcomed this display of unity among their supporters. But they were also concerned that it would aggravate divisions between moderate and radical Arabs, thus complicating Soviet efforts to forge a united opposition to Israel.

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Soviet Military Use of South Yemeni Facilities

Elements of the Soviet Indian Ocean Squadron use Aden for replenishment, crew rest, mail pickup, and minor maintenance. Visiting Soviet ships normally use mooring berths near the naval base at Aden. The Soviets also use anchorages in international waters off Socotra Island for various self-maintenance tasks. The Soviets have no facilities on Socotra Island itself.

The Soviet philosophy of naval logistics relies heavily on afloat support and minimizes the use of large-scale facilities ashore that can be expensive. When refueling in Aden, for example, Soviet ships use their own oiler rather than the available bunkering berths. A floating drydock, towed to Aden from Somalia in 1977, was moved to Ethiopia's Dahlak Island in 1978, where it is used for minor repair of Soviet submarines and surface combatants. Overall Soviet use of Ethiopian ports has increased since 1978, while the number of Soviet combatant visits to Aden has declined.

Soviet and South Yemeni vessels exercised together in the Arabian Sea in the spring of 1983 with an emphasis on antisubmarine warfare and maritime reconnaissance. This was the first combined exercise since 1980 and was presumably intended as a response to US and Allied forces' Bright Star and Jade Tiger exercises of recent years. The South Yemeni Navy routinely cooperates with the USSR in patrolling the Bab el-Mandeb Strait.

The Soviets have two IL-38 (May) reconnaissance aircraft stationed at al-Anad airfield, north of Aden. (Figure 1 is a map showing the radius of IL-38 flights from Aden and the Ethiopian field at Asmera into the Mediterranean Sea and Indian Ocean.) In addition, they exercise transit rights for civilian and military cargo planes en route to Ethiopia, Mozambique, and elsewhere in the region. While the Soviets have not yet deployed TU-95s to South Yemen, these longer range reconnaissance aircraft could reach the US base at Diego Garcia, which is outside the range of Soviet aircraft currently stationed in South Yemen or Ethiopia.

[redacted]

Table 1
South Yemen: Active Inventory of Soviet-Supplied Military Equipment, 1 February 1984 [a]

Type	Number
Tanks	
T-62	85
T-54/55	255
T-34	125
Armored Personnel Carriers	
BTR-40	40
BTR-60	100
BTR-152	190
BMP	140
BRDM-2	130
Attack Helicopters	
MI-24/Hind	12
MI-8/Hip	41
Surface-to-Surface Rocket Launchers	
Scud B	6
FROG 7	12
Surface-to-Air Missiles/Firing Units	
SA-2	4
SA-6	5
Combat Aircraft	
MIG-17	30
MIG-21	58
SU-20/22	28
Transport Aircraft	
AN-24	3
AN-26	6
AN-12	3
Missile Patrol Boats	
OSA-II	8

[a] Includes major equipment items delivered since the late 1960s.

This table is Secret.

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17. Aden has also served as a conduit to radical Third World movements whose activities often serve Soviet purposes. The recent gathering of Arab Communist parties in Aden is a case in point.

18. ***Soviet Military Assistance.*** Since 1968, South Yemen has been dependent on the Soviets and the East Bloc for major military equipment, spare parts, and training. Aden has also looked to Moscow for a security guarantee against outside threats.

19. Table 1 shows current inventories of major Soviet-supplied military equipment. The only significant new weapon system shipped to South Yemen in 1982 consisted of advanced models of the SU-22 fighter-bomber that will upgrade ground attack capabilities. In 1983 the Soviets delivered [redacted] MIG-21s, a few Antonov cargo aircraft, and some SA-6 missiles.

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Figure 1
Radius of IL-38 Flights From Aden and Āsmera

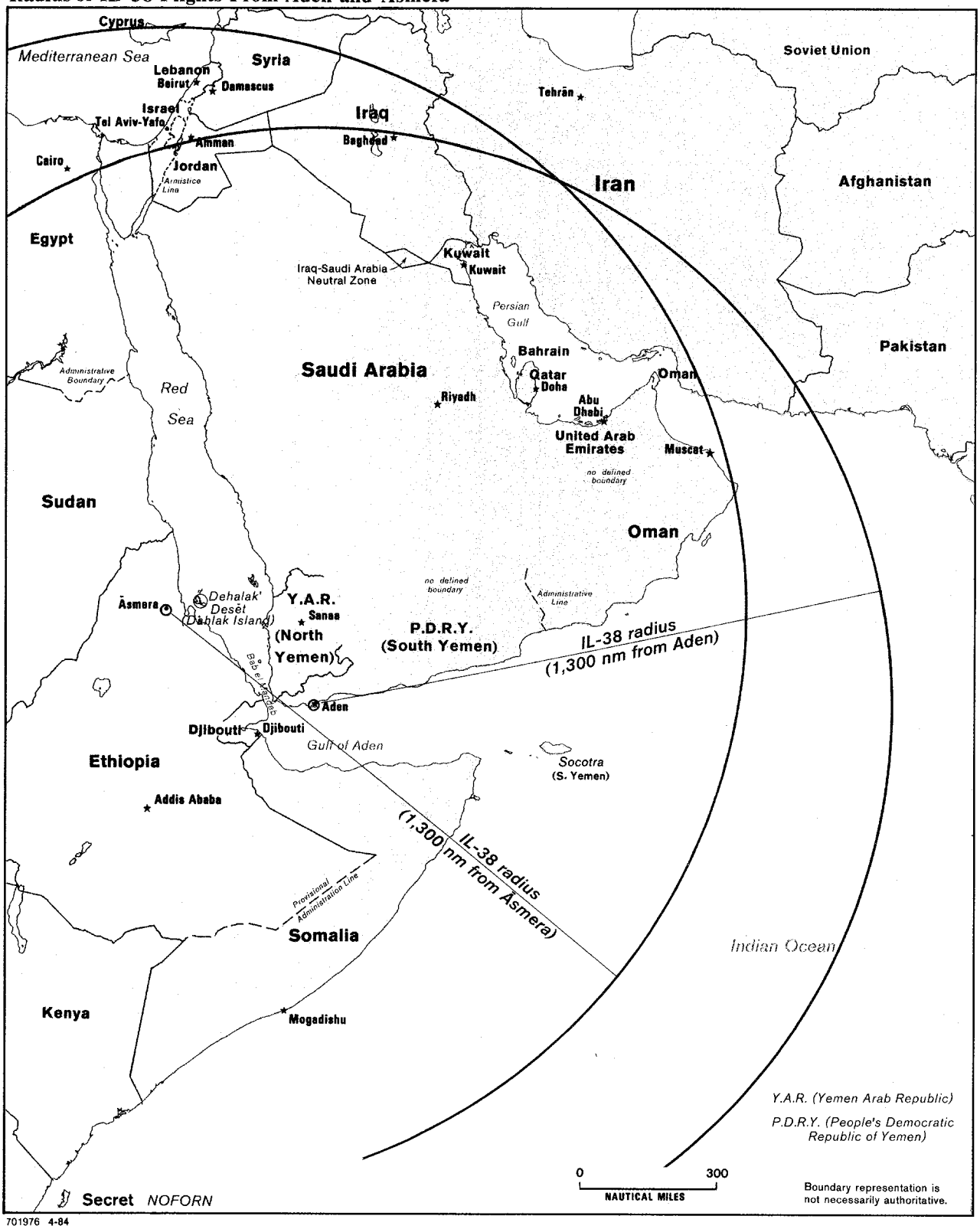

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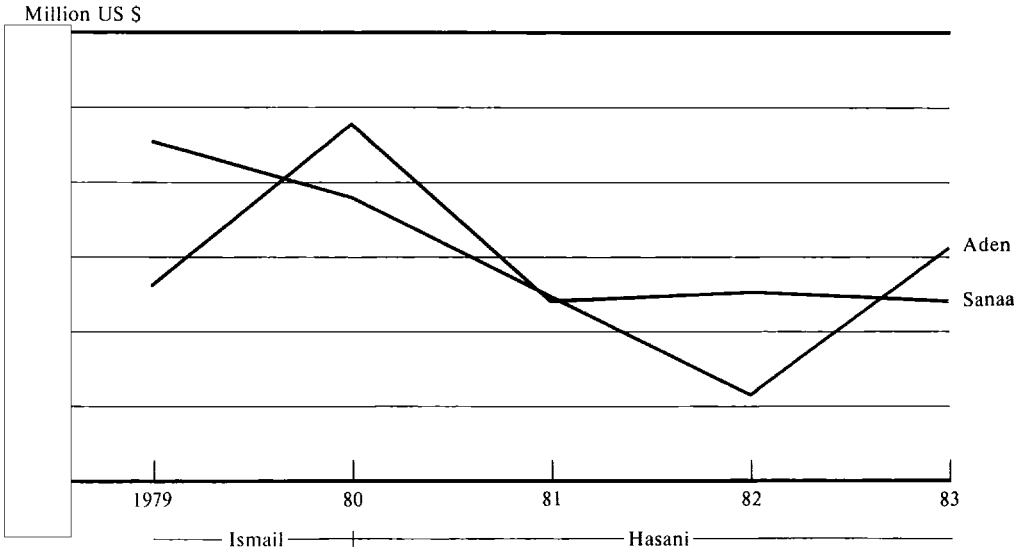
Figure 2
Soviet Military Assistance Deliveries to North and South Yemen, 1979-83



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20. Figure 2 shows Communist (predominantly Soviet) deliveries of military equipment to both North and South Yemen. The figure indicates that 1982 deliveries of Communist weapons and support materials to Aden dropped by more than half from the 1981 level [redacted] as shipments under arms agreements signed in the late 1970s wound down. Large Soviet deliveries to North Yemen since 1978 marked a greatly expanded Soviet effort to gain influence there, while much of South Yemen's modern Soviet equipment had been delivered in previous years not shown in the figure. The surge in Soviet assistance to North Yemen since 1979 brings total Soviet aid to both Yemens (whose military forces are about the same size) to a rough equivalency. We believe that new agreements for Soviet arms to North and South Yemen, [redacted] were signed in 1982.

21. ***Advisers.*** During South Yemen's early years, Soviet and East Bloc personnel assisted in structuring party organs, the internal security apparatus, and government ministries in South Yemen. Currently, they continue to perform a variety of training and support tasks in military, educational, economic, and bureaucratic fields. Sources disagree about the exact number of Soviet personnel in South Yemen: estimates range from 1,500 to 3,000. Some Soviet military personnel act as advisers to the regular South Yemeni military in the training, maintenance, and logistic support functions; Soviet technicians help with economic projects, and still others solely support Soviet activities at facilities such as Aden harbor and Salah al-Din. Cuba supplies 500 trainers for the militia, and East Germany has 75 people training internal security functionaries. Additional small numbers of Cuban and East Bloc personnel assist in agricultural, construction, and public health projects. 25X1

22. ***Economic Assistance.*** Because Aden's development plans—indeed its economic viability—depend heavily on external aid, Soviet economic assistance has been an important contribution, though not at levels the South Yemenis would prefer. Communist aid totaled about 20 percent of all economic assistance commitments to South Yemen from 1974 to the present. Soviet and East Bloc projects account for much of South Yemen's light manufacturing industry. Although not always well planned or thought out, these projects have helped expand domestic production capabilities. 25X1

23. Many South Yemeni civilian and military officials receive education and/or training in the Soviet Union or Bloc countries, or by Soviet or Bloc instructors in country. Thousands of South Yemenis have

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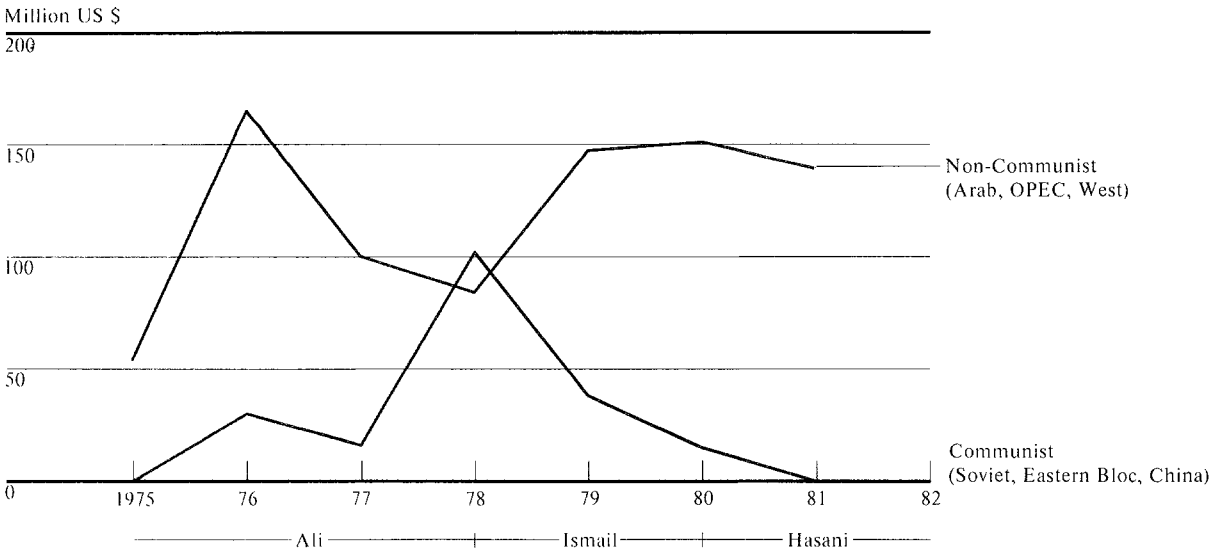
Figure 3
Communist and Non-Communist Economic Assistance, 1975-82



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acquired much-needed skills in these training programs. Given the low level of education of the population, South Yemen benefits greatly from these opportunities. At the same time, the Soviets are presumably recruiting sympathizers and agents from these groups, both in the civilian and military ranks, in order to enhance Soviet influence in South Yemen.

Domestic Influences on Hasani's Policies

South Yemen's Economic Deficiencies

24. South Yemen's grave economic situation provides the driving force behind Hasani's efforts to improve ties to his neighbors. Aden depended on external sources for 75 percent of the funding of the first Five Year Plan (1974-1978); it sought at least 60 percent (about $250 million) of the 1983 development budget—and two-thirds of its food—from outside.

25. The barren nature of the land—only 1 percent is arable—and the absence of significant natural resources make South Yemen one of the world's poorest countries. The annual per capita income is now around $500 for the population of about 2 million. Much of the wealth is concentrated in Aden, leaving the rural areas, where over 60 percent of the population still resides, with poor health care, insufficient means of transportation, inadequate housing, and, in some cases, not enough to eat. Life expectancy is 45 years.

26. Nonetheless, GNP grew at a surprisingly high average annual rate of 7 percent from 1976 to 1982, primarily because of remittances from South Yemenis working abroad and foreign economic assistance. Figures vary, but anywhere from 100,000 to 200,000 South Yemenis (20 to 40 percent of the work force) work abroad, mostly in Saudi Arabia and the Gulf. The IMF estimates that worker remittances accounted for 20 percent of GNP in 1982. Without worker remittances and foreign assistance, the balance of payments would have been negative.

27. Given their own apparent constraints on foreign aid resources, the Soviets have not considered South Yemen's relatively small economic assistance needs of sufficient priority to accommodate them fully. (Figure 3 compares Communist with non-Communist development assistance.) Since 1974, only during the regime of Abd al-Fattah Ismail did Communist donors provide more economic assistance than non-Communists; by 1981, Soviet economic assistance to Aden had declined to virtually zero, while non-Communist aid stood at $139 million. The Soviets have offered no significant economic aid since 1978. Non-Communist

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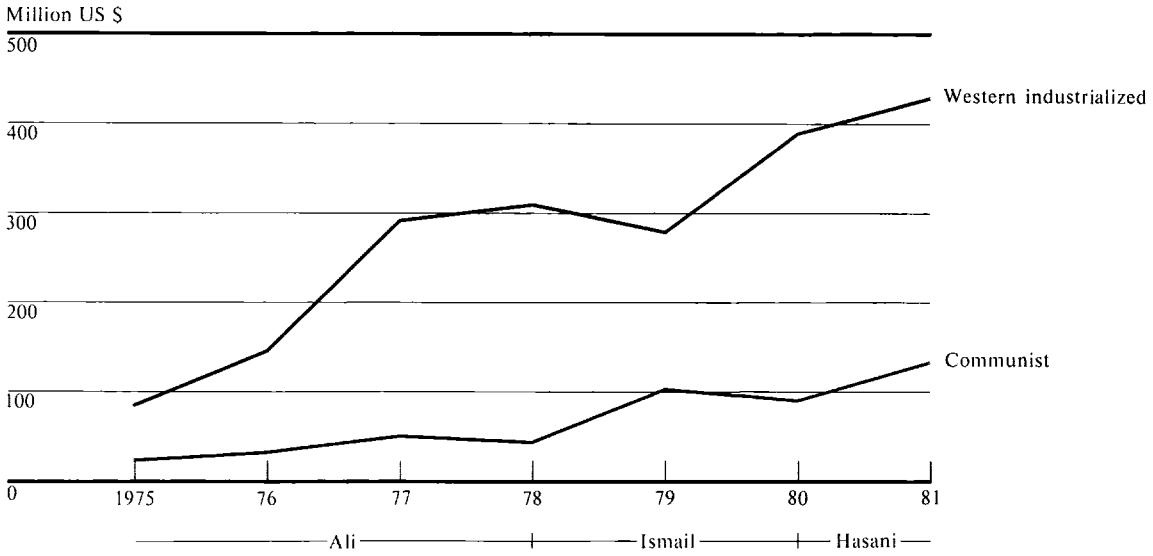
Figure 4
South Yemeni Imports From Western Industrialized Countries and Communist Countries, 1975-81



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aid has come largely from multilateral sources, including World Bank, IMF, and Arab multilateral funds, with some bilateral aid coming from OPEC countries. (There is reason to believe, though we cannot confirm, that the Soviets have provided some additional economic assistance in the form of subsidies for Aden's budget deficits.)

28. Nor has the Soviet Bloc been a major trading partner for South Yemen: imports from Communist countries have remained relatively low, with a slight increase under Ismail. Imports from Western industrialized countries and Japan, however, have climbed since 1974, except for a decline under Ismail. (Figure 4 shows South Yemeni imports from Western industrialized countries and the Bloc.) By 1981, imports from Western countries had climbed to $429 million, while imports from the Communist Bloc amounted to $134 million.

29. Hasani has increased imports of consumer goods, subsidized basic necessities, and devoted more of the development budget to human services and infrastructure projects. He has also allowed some limited private investment of capital.

Domestic Unrest

30. Although it is difficult to determine the precise nature and extent of popular opposition to the current regime or the extent of repression needed to maintain order, we believe that the South Yemen Government faces no significant threat of internal rebellion. In fact, Hasani's popularity is due in part to his efforts to reduce the government repressiveness that prevailed under Ismail. The internal security apparatus is tough, effective, and loyal to Hasani.

31. The practice in Aden of selecting members of key political bodies with an eye to representing the major tribes probably neutralizes some concerns, as do party efforts to hold public meetings in the provinces and keep tabs on issues that could become troublesome. Moreover, Hasani has responded to another popular concern by showing more tolerance—even encouragement—for Islam than have previous, more doctrinaire leaders.

32. Although jockeying for position within the leadership elite creates chronic problems for continuity at the top, Hasani is gambling that his efforts to promote economic growth will shore up his claim to leadership. He believes sustained Arab aid will bolster his popular support, undercut his opponents, and help him strengthen his grip on the party and bureaucracy.

33. Hasani's opponents have political reasons for sabotaging his policies, and have already attempted to do so. The policy of South Yemeni "moderation" is

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therefore tangled in domestic political rivalries whose outcome will determine its eventual continuation or abandonment. Hasani's abilities to handle his rivals in the ongoing power struggle will be a critical factor.

Hasani's Goals, Strategy, and Style

34. Hasani has been referred to as a pragmatist, a nationalist, and an adroit, skilled politician who knows how to survive domestic political wars. The Chairman has demonstrated an ability to effectively manage his domestic political rivals and will probably be able to survive their challenges to his authority.

35. He is strengthened by his strong Dathina tribal identification—despite official efforts to "detribalize" the society, tribal divisions still retain social and political significance—and his ability to avoid becoming the object of personal animus. In addition, he has for years held strategic positions in the government and party, enabling him to cultivate followers in the Defense Ministry, the Supreme People's Council, and the YSP Central Committee. His followers control the security services. He has demonstrated organizational skills and now holds three key offices of Prime Minister, Chairman of the Presidium of the Supreme People's Council, and Secretary-General of the YSP.

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Hasani's Rivals

37. Hasani's two main rivals for power, Deputy Prime Minister Ali (Antar) Bishi and Defense Minister Salih Muslih Qasim, have well developed domestic power bases, carry strong revolutionary credentials dating from the guerrilla struggle against the British from 1963-67,

38. Salih Muslih Qasim, named Defense Minister in September of 1981, is a "hero of the struggle."

Qasim's most important power base is the NDF. He strongly favored the use of regular South Yemen troops to back NDF forays into North Yemen—a policy rejected by the YSP Central Committee in the spring of 1982. Qasim is known for his ties to Libyan leader Qadhafi.

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39. But the NDF's star has waned in recent months, and so has Qasim's, although as Defense Minister he still has a basis of support in the regular military, and he must be considered Hasani's most serious rival. Qasim, who holds the rank of Brigadier General, was removed from the Politburo in 1980, and is eager to regain that position.

40. Ali Antar, also a Brigadier General, has his own following within the military which he oversaw as Defense Minister for some years before Hasani removed him in 1981. Antar's support helped Ismail take power, and he himself was presumably a candidate for leadership after Ismail's removal.

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41. An important Antar ally is Ali Salim al-Bidh, currently Minister of Local Government. This position has enabled both Antar and al-Bidh to build up local support bases

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42. Both Antar and Qasim have aspirations for power; both are known to solicit Soviet support to further their ambitions.

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Current Power Struggle

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43. The ongoing power struggle among these three was exacerbated in December 1982: with Hasani out of the country, Ali Antar acted to send regular South Yemen troops to support the NDF in violation of the agreement that had been worked out with North Yemen. Hasani reportedly determined that such flagrant insubordination could not be tolerated, and vowed to get rid of both Antar and al-Bidh at the next Central Committee meeting. Antar's reported backing

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of the Soviet request in late March 1983 for autonomous military facilities may reflect an attempt to gain Soviet favor and to translate this into support against Hasani.

44. Getting rid of Antar and al-Bidh was more difficult than anticipated: after postponing the spring 1983 meeting for several weeks, Hasani reportedly failed to get enough support to oust Antar. However, Hasani successfully undercut Antar's support from the northerner faction by releasing two of their number from prison and giving wide play to the death of another.

45. Hasani's rivals can create difficulties for him by agitating among various factions within the YSP. But they probably will not be able to sidetrack the Chairman's policies in the foreseeable future unless the country suffers a dramatic economic setback or a major political defeat attributable to Hasani's leadership. Backed by a loyal and effective security service, strong support in the ranks of party, military, and government and among the population, Ali Nasir Muhammad al-Hasani will be very difficult for any local rivals, acting alone, to bring down.

Foreign Influences on Hasani's Policies

Relations With Saudi Arabia and Oman

46. Saudi willingness to go along with Hasani's appeals for financial assistance is critical to the success of his policies. The Saudis harbor profound hostility to the brand of Soviet-dominated radicalism that prevailed especially during South Yemen's early years of independence and again during the Ismail period (1978-79.) Should Riyadh decide that Hasani is insincere or that Aden is pursuing policies elsewhere inimical to Saudi interests, it could pressure other Gulf states to cut off assistance to Aden. Even if only partly successful, the loss of aid from moderate Arabs would provide ammunition for domestic critics of Hasani's policies, especially those who already distrust the Saudis because of old disputes.

47. The Saudis also recognize that economic aid can moderate Aden's radical policies, and have pledged assistance for projects that have maximum popular appeal, such as flood relief and housing assistance. Riyadh is cautiously improving relations with South Yemen, but the Saudis remain suspicious that Aden's moderation may be merely a tactic to obtain Saudi financial assistance.

48. Arab aid pledged so far reinforces Hasani's position: Saudi Arabia has agreed to provide $70 million for housing construction (to replace Libyan aid withdrawn by Qadhafi); Algeria is offering $35 million and about 250,000 tons of oil annually as an interest free loan over two years; the Kuwait Development Fund has disbursed $12.5 million. In September 1983, the Gulf Cooperation Council approved a committee report favorable to Aden's appeal for aid from that body.

49. South Yemeni–Omani relations will constitute a litmus test of Hasani's ability to restore normal ties with neighboring states. The prospects are good that he will be able to manage this issue, although it is likely to be a long-term effort. The resolution of old border disputes is more likely to create problems between the two countries than any residual South Yemen support for the Popular Front for the Liberation of Oman.

50. Both sides have been scrupulously careful about observing the provisions of the normalization agreement signed in December 1982: Muscat has ceased its anti-Aden propaganda; Aden has officially withdrawn support for the remnants of the PFLO in Oman, and toned down its verbal attacks on Muscat. In public speeches, Hasani has repeatedly emphasized the benefits to South Yemen in transferring funds from supporting military forces in the eastern province to projects designed to upgrade the country's standard of living. The two announced formal diplomatic relations in October 1983.

North Yemeni Issues

51. Sustaining amicable relations with North Yemen will be more difficult for Hasani to accomplish, given the recent history of conflict and the

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The Two Yemens: Similar People, Divergent Systems

The revolutions in North and South Yemen which began in 1962 and 1964, respectively, started off with similar principles and goals: replacing old regimes (one, monarchical/religious, the other, colonial) with Arab socialist governments that would revamp traditional society and create modern, secular states. As events transpired, the southern revolutionaries succeeded beyond expectations in achieving their initial goals. In the north, Saudi support for the strong Zaidi tribes who supported the Imamate, coupled with the Egyptian pullout after 1967, stalemated the revolution and forced a compromise solution that allowed both sides to play a role in government, a not altogether ideologically tidy outcome.

South Yemen became isolated, radicalized, and dependent on Soviet and Chinese support, combative in foreign posture on the premise that enemies surrounded it who could not accept a true anticolonialist and social revolution. The North, after four years of a republican government, devolved into a military oligarchy where a multitude of competing forces had to be carefully balanced by the current leader. A surprising degree of radicalist thinking pervades the rhetoric of North Yemeni political activists.

Both countries are desperately poor, with divergent economic systems—the South, centrally planned and controlled, the North, a free-wheeling capitalist system that provides some consumer goods to those who can afford them. They have different political structures; the one, a dominant Marxist civilian party in tight control of government and military; the other, a loose amalgamation of forces, military dominant, with strong tribal component.

Soviet Ties. The Soviet Union provides considerable amounts of military assistance to both North and South Yemen:

- **North Yemen.** The Soviet Union first signed a friendship treaty with the Imam of (North) Yemen in 1928; it offered aid in 1938, and signed a new treaty of cooperation in 1955 which still governs mutual relations. Since 1979, over $1 billion in Soviet arms have flowed into the North.
- **South Yemen.** The Soviet Bloc countries have been the sole supplier of military assistance to South Yemen. South Yemen has also received over $1 billion in Soviet military aid.

In order to expand its influence on the Arabian Peninsula and in the Red Sea area, Moscow is reportedly trying to broaden its presence in North Yemen. It has recently upgraded the quality of personnel involved in the military assistance program, and sent one of its better Arabists to the Embassy position. For the short term, Moscow probably believes it can assist both Yemens without major problems, working to expand its political influence with leftist groups in the North, and thereby increase its potential for pressuring Saudi Arabia. However, conflict between regular military forces of the two Yemens could create serious problems for Moscow.

Trade-Offs. Objectively, the geopolitical value of North Yemen to the Soviets probably exceeds that of South Yemen, and would offer Moscow many benefits should it succeed in consolidating its position there. However, because of its greater dependency on the Soviets for security and longtime Soviet ties, and its stronger central government, Aden offers advantages in manageability unmatched in North Yemen where fiercely independent tribes still dominate the political scene.

strong rivalry between the two for Saudi financial and Soviet military assistance. Although the two Yemens currently enjoy a period of detente, border problems and efforts of emigre groups from both North and South to regain a foothold in their homelands remain live issues. North Yemeni President Ali Abdallah Salih is sponsoring a coalition of South Yemeni emigres in the National Grouping of Patriotic Forces (NGPF) as a counter to the NDF. A major outbreak of violence along the border, whether due to old tribal land disputes or activities of the NDF or NGPF could revive South Yemen's domestic support for the NDF and also arouse Saudi suspicions.

52. Yemeni unity is a goal to which both Aden and Sanaa claim to aspire. Both Yemens use it to threaten the other at the same time as they use it as the framework for discussions of matters of mutual interest, such as border demarcation, trade relations, and travel regulations. Despite the ongoing contacts, we believe neither country wants to see unification unless it can dominate.

Relations With Western States

53. Hasani has already carried his policy of diversifying foreign economic partners beyond the level attained by President Salim Rubayyi Ali before he was deposed. Although aid ties to Western multilateral organizations have continued since 1978, direct bilateral aid ties to major Western states have not been developed until now. Aden has recently reestablished full diplomatic ties with the United Kingdom and France and has a nonresident Canadian ambassador.

54. Although it is not unusual for certain of Moscow's clients to have good relations with Western countries, several aspects of South Yemen's current

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initiatives probably concern Moscow in spite of the presumed Soviet willingness to have other countries foot the economic aid bill for South Yemen: some contracts for development projects that used to go to the Soviets are now going to Western countries; Western technology upstages that of the East Bloc; and the presence of Western personnel in South Yemen brings the danger that influence could follow.

55. While the YSP is likely to support ties with West European countries that bring economic benefits, distrust and fear of the United States will make the opening of US relations a more difficult issue for the South Yemeni leader. US military presence in the Indian Ocean is viewed as a direct threat to Aden. If any steps toward normalization with Washington were to occur without adequate party consensus or prior consultations with Moscow, strong opposition could develop within the party and would probably be supported by the Soviets. Hasani can be expected to proceed with extreme caution in this area, and prospects for initiatives to the United States are slim.

Prospects for Soviet–South Yemeni Relations

Likely Soviet Reactions to Hasani's Moderation

56. Over the near term, Moscow is unlikely to oppose Aden's efforts to obtain new sources of development assistance and improve ties with Arab moderates. At the same time, the Soviets will carefully monitor the expansion of ties with Western and pro-Western states as well as South Yemeni contacts with European socialists and Beijing. Hasani appears to have successfully reassured the Soviets—at least for the time being—that his approaches to moderate Arab states and the West do not endanger ties with Moscow.

57. Nevertheless, this situation could change if Moscow finds its major interests threatened, or decides that Aden is in danger of slipping away; a change in the region that threatens Moscow's access to other points around the Horn of Africa would strengthen Moscow's determination to hold onto South Yemen.

58. Hasani's openings to Western countries will probably be a particular focus of Moscow's attention. The Soviets' response is likely to depend in part upon the atmospherics of developments: whether they were consulted in advance, and whether events are accompanied by significant anti-Soviet moves such as the introduction of additional restrictions on their use of Aden's facilities or requests for reduction of their presence in South Yemen. Moscow would view any South Yemeni requests for Western arms as a significant danger sign.

59. Over the long term, Moscow reportedly plans to indoctrinate more South Yemenis through education and training programs, and emplace its supporters in key government and party positions.

60. Short of actively seeking Hasani's ouster, Soviet options for countering unfavorable South Yemeni policies include various strategies for applying domestic pressure for policy changes more to Moscow's liking, through direct urging as well as working through domestic South Yemeni sympathizers. This sort of pressure might include offers of significant additional military and economic aid, or threats to cut back existing economic aid or slow delivery of spare parts and weapons support. If these efforts should fail, Moscow might attempt to depose Hasani.

61. We do not believe that Moscow is likely to attempt to sponsor a coup against Hasani during the time frame of this Estimate. The chances would be greatest if Moscow concludes that Hasani is moving decisively against key Soviet interests in South Yemen. Any such move, however, would be difficult and costly; Hasani has tightened his control over the security and military apparatus and has purged many of the leading party members who support former YSP leader Abd al-Fattah Ismail, a pro-Soviet hardliner now resident in Moscow. Some analysts believe that this control is substantial enough to blunt any coup attempt. Others believe that Moscow could mobilize sufficient assets in South Yemen to bring off a successful coup.

62. A serious erosion of South Yemeni/Soviet ties is unlikely in the foreseeable future despite Hasani's pursuit of independent policies. South Yemeni leaders would have to become convinced that they no longer require Soviet security and technical assistance.

Implications for the United States

63. The continuation of Hasani's moderate policies, coupled with a reduced subversive threat from South Yemen, would substantially benefit US regional clients who could be threatened by South Yemeni–supported insurgencies. Better relations with moderate Arab states and Western Europe, however, probably will not lead to improved ties with the United States, and Aden probably will not respond to US overtures over the next several years. South Yemen's gradual disengagement from the USSR, though unlikely at present,

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would weaken Moscow's position on the Arabian Peninsula and in the Middle East.

64. Alternative developments severely affecting either US or Soviet interests, while not likely, deserve consideration.

65. ***Worst Case for the United States.*** Should a successor come to power more determined to promote radical change and less concerned about economic priorities, he could refocus South Yemeni goals by:

— Undermining moderate Peninsula regimes.

— Participating in international terrorism.

— Strengthening ties with Libya, Syria, and Iran.

— Granting increased access to the Soviets.

66. ***Worst Case for the Soviets.*** Some reporting indicates that Hasani may be considering loosening ties with Moscow. Should sufficient additional non-Communist economic and technical assistance become available, and the South Yemeni leadership determine to make a clean break with the Soviets, Moscow could:

— Lose access to all South Yemeni facilities.

— Witness a serious reversal in the Arab state thought to be the Soviets' most devoted client.

— Lose an important means of exercising political leverage against Saudi Arabia and other moderate Gulf states.

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